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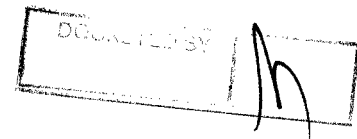
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MAR 24 2000



March 23, 2000

Charles W. Steese
U S WEST, Inc.
1801 California St., Suite 5100
Denver, CO 80202

Re: **Docket No. T00000A-97-238**

Dear Chuck:

AT&T Communications of the Mountain States, Inc. and TCG Phoenix (collectively "AT&T") have reviewed the outstanding issues on Checklist Items 3, 7, 10 and 13 to determine what, if any, issues remain in dispute. AT&T wanted to advise U S WEST Communications, Inc. ("U S WEST") what AT&T believes are the remaining issues regarding these checklist items.

On Checklist Item 3, AT&T believes that all of the concerns it raised have been resolved. AT&T does want to reiterate that it believes the inclusion of the reciprocity language in this section is contrary to law, but we have agreed to include the reciprocal language based upon the Federal District Court's decision, subject to the final determination on the issue by the Ninth Circuit Court of Appeals.

On Checklist Items 7 and 10, all language concerns raised by AT&T appear to have been resolved, with the understanding that AT&T intends to raise additional concerns regarding this language on direct access and connection to the COSMIC™ and Main Distribution Frame ("MDF") in future workshops or proceedings dealing with the remaining checklist items. However, AT&T cannot sign-off on Checklist Items 7 and 10 until it has had the opportunity to review the amendments to U S WEST's methods and procedures discussed at the last workshop that U S WEST relies upon as demonstrating that it provides competitive local exchange carriers ("CLECs") the same direct access and connection to the COSMIC™, MDF and other frames that U S WEST uses, without the use of an intermediate or SPOT frame.

These methods and procedures are important because in addition to having a concrete and specific legal obligation to furnish a checklist item, U S WEST must demonstrate that it is currently furnishing, or is ready to furnish the checklist item. AT&T is not aware of any instance where U S WEST is providing direct access or

connection to the 911 or signaling frames that U S WEST uses. Nor is there any evidence that U S WEST is ready to furnish such direct access and connection. Based upon U S WEST's internal operations guide and field visits, 911 trunks traverse the ICDF or SPOT frame. At the last workshop, U S WEST agreed to produce its revised CLEC collocation order form and the methods and procedures that U S WEST's personnel in the field will use in responding to and provisioning CLEC collocation order. Once AT&T receives these documents and reviews and verifies that U S WEST's documentation unambiguously provides that U S WEST is ready to furnish 911 and signaling access and connections at parity, AT&T will sign off on Checklist Items 7 and 10.

On Checklist Item 13, several issues remain. The first issue is the failure of U S WEST to provide interconnection for the mutual exchange of traffic at any technically feasible point where a CLEC has established a single POI per LATA and the failure to charge cost-based rates for such exchange of traffic in accordance with the Act. The second issue is U S WEST's desire to impose tandem transmission charges on traffic exchanged with U S WEST at a host switching location that terminates to a U S WEST customer that is served via the remote office.

U S WEST's SGAT requires CLECs to establish a POI in each local calling area. *See* Section 7.1.2. If a CLEC does not wish to establish a POI in every U S WEST local calling area, it must negotiate with U S WEST. The SGAT permits interconnection to a hub location on a negotiated basis (Section 7.1.2.4); however, the CLEC must purchase U S WEST's private line facilities at existing private line rates (which are not cost-based) from the hub location to the CLEC POI. Section 7.1.2.5; TR 222-223. These requirements are inconsistent with the 1996 Act, the FCC's order and rules, which permit interconnection at any technically feasible point. *See* 47 U.S.C. § 251(c)(2)(B) and 47 C.F.R. § 51.305). The FCC has also required meet point interconnection arrangements. 47 C.F.R. § 321(b). In addition, in Arizona, and most other states, the CLECs arbitrated and won the right to establish one POI per LATA.¹ U S WEST's requirement of one POI per calling area is inefficient and would inappropriately shift more of the cost burden for interconnection and reciprocal compensation on the CLEC and, therefore, is discriminatory.

U S WEST has also ignored the one POI per LATA requirement set forth in the AT&T/U S WEST interconnection agreement recently in Phoenix by forcing trunking to more than one POI. AT&T established a POI at the AT&T switch for customers using AT&T Digital Link service. The AT&T trunks to U S WEST go to the U S WEST access tandem. U S WEST should install its trunks on the same route. AT&T learned recently that U S WEST is refusing to do so. U S WEST is ignoring AT&T's established POI and, instead, seeks to require trunks be put in place to all U S WEST end offices. This is a highly inefficient trunking arrangement, requiring unnecessary trunks and switch terminations. It is causing delays in provisioning which is resulting in delays for AT&T's local business. The AT&T/U S WEST interconnection agreement specifically allows AT&T to establish a single POI.

¹ The right of CLECs to establish a single POI per LATA has been upheld by the 9th Circuit Court of Appeals in *U S WEST Communications v. MFS Intelnet, Inc.*, 193 F.3d 1112 (9th Cir. 1998).

U S WEST is further attempting to impose non-cost-based rates for interconnection/reciprocal compensation trunks on the CLECs by requiring the CLEC to pay private line rates for transmission facilities between calling areas. The Act requires that interconnection facilities be cost-based and the FCC has determined that such rates must be based upon TELRIC. *See* 47 U.S.C. § 252(d)(1) and 47 C.F.R. § 51.505. U S WEST's requirement flies in the face of the Act and the FCC's rules. Moreover, U S WEST's SGAT is inconsistent with positions U S WEST has taken elsewhere regarding their inability to intermingle Private Line and interconnection trunks.

A third concern for AT&T is the provision in the SGAT that requires CLECs to pay tandem transmission rates for the trunking from U S WEST's host switches to U S WEST's remote offices when the CLEC interconnects at the host switch and terminates calls to customers that are served via the remote office. This provision essentially treats the host switch as a tandem switch in a host/remote situation. This provision is contrary to the Act, cannot be supported by any FCC rule or order and is unprecedented in other regions. A remote office is the site of one or more Remote Switching Units (RSUs). The RSU provides remote switching functions for those lines that are terminated on it. However, for all intents and purposes, the RSU is nothing more than a switching module on the host switch, no different from other switch modules attached to the host switch except for the distance between the RSU and the host switch. A remote switch is simply loop extension technology, which provides a means of avoiding long loops, similar to Digital Loop Carrier. There is no basis for the imposition of tandem transmission rates on CLECs from the host switch to the remote switch. Because of the nature of the host/remote relationship, the distance between the remote office and the host switch cannot be considered as tandem access. Simply stated, the host switch is not performing a tandem function. Therefore, applying a tandem transmission charge between the host and the remote would be inappropriate. In fact, U S WEST is not proposing to charge tandem switching rates for the host switch. This is a tacit admission by U S WEST that its SGAT provision is unsupportable.

Finally, with respect to checklist item 13, there appears to be dispute regarding the tandem office switch definition. AT&T proposes the following definition replace the existing definition contained in Section 4.11.2 of the SGAT:

"Tandem Office Switches" which are used to connect and switch trunk circuits between and among other Central Offices. CLEC switch(es) shall be considered a Tandem Office Switch to the extent such switch serves a geographic area comparable to that served by U S WEST's Tandem Office Switch or where the CLEC switch provides an alternative routing function for a second CLEC switch. Access tandems provide connections for exchange access and toll traffic, while local tandems provide connections for EAS/Local traffic.

This definition more completely and accurately defines a tandem office switch.

As a final matter for all checklist items considered to date, U S WEST has agreed to a number of changes to the SGAT to resolve concerns of AT&T and other parties. However, U S WEST has not filed a revised SGAT that incorporates all the agreed-upon changes. AT&T believes it would be appropriate for U S WEST to file a revised SGAT that incorporates all changes agreed to by U S WEST prior to the Commission entering orders on Checklist Items 3, 7, 10 and 13. This will enable CLECs to review and verify all changes and to pick and chose provisions desired by the CLECs and agreed to by U S WEST. It is AT&T's understanding U S WEST recently released a revised SGAT in Nebraska. AT&T does not believe it would be too burdensome to release a revised SGAT in Arizona that reflects the changes U S WEST has agreed to in the very near future.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard S. Wolters", with a long horizontal flourish extending to the right.

Richard S. Wolters

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of AT&T and TCG Phoenix' Letter regarding Checklist Items 3, 7, 10 and 13 in Docket No. T-00000A-97-0238, were sent via overnight delivery this 23rd day of March, 2000, to:

Arizona Corporation Commission
Docket Control – Utilities Division
1200 West Washington Street
Phoenix, AZ 85007

and that a copy of the foregoing was sent via overnight delivery this 23rd day of March, 2000 to the following:

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